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Office Memorandum • UNITED STATES GOVERNMENT

TO : Executive

DATE: 16 December 1949

FROM : Deputy Executive

SUBJECT: Abstracting and Coding of Intelligence Information

References: a. Memo from Management Officer to Asst. Director for Collection and Dissemination on above subject dated 16 September 1949.

b. Reply to Reference "a" from Asst. Director for Collection and Dissemination addressed to Executive dated 14 October 1949.

c. Memo from Asst. Director for Reports and Estimates on above subject addressed to Management Officer dated 29 September 1949.

d. Memo from Asst. Director for Scientific Intelligence on above subject addressed to Management Officer dated 6 October 1949.

e. Document produced by OCD, subject: "Central Reference Facilities, Status and Objectives," dated 1 November 1949, together with correction dated 9 December 1949.

f. Memo from Management Officer to Executive commenting on reference "e", dated 7 December 1949.

g. List of Management projects in process as of 30 November 1949.

1. The Director recently expressed to each of us some concern over the possibility of at least the appearance of administrative control of or interference with operations. As a case in point he referred to a report prepared by [REDACTED] and discussed by [REDACTED] with the Director personally in connection with a Management recommendation for change in our method of abstracting and coding intelligence information.

2. In view of the circumstances and the concern expressed by the Director, it is believed that a fairly detailed review of the overall situation is warranted for the information of the Director.

3. a. I was personally instrumental in bringing [REDACTED] into CIA as chief of an activity under my personal supervision.

b. I strongly advocated the appointment of [REDACTED] as an Assistant Director in view of his obvious qualifications and demonstrated ability from almost the day he reported for duty.

c. Since the reestablishment of OCD as a separate Office and the appointment of [REDACTED] as an Assistant Director, I have personally supported the OCD position on a number of past occasions where controversy with other Offices in connection with functional responsibilities

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was involved, and have continually attempted to assist in building up and maintaining OCD in its essential and important position in the Agency.

d. I continue to have a high regard for [REDACTED] both as an individual and for his official and professional contributions to successful Agency operations.

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4. In personal conversation on past occasions, the Assistant Director for Collection and Dissemination has expressed to me a considerable antipathy to management examination, even on those occasions when he has been willing to acknowledge that some real improvement has resulted from management advice and assistance. I understand that this results from unfortunate experiences with arbitrary management control procedures prior to coming to this Agency.

5. a. When OCD requested a considerable personnel increase during development of the budget for fiscal year 1951, the Management Staff supported the request. Based on this support the Executive recommended an increase of 45 positions for OCD, which was the only increase recommended for an overt Office. The Director was reluctant to approve the increase, and did so only after directing the Executive to have a complete and detailed management survey made of OCD to verify its overall personnel requirements and efficiency of its procedures. This was the basis for the survey which resulted, among other things, in the subject recommendation.

b. The entire survey has been completed and proposed management reports on each activity of OCD submitted to the Assistant Director for C&D for his comment prior to further routing to the Executive.

6. a. In the course of the survey the management team developed a proposal, based on an experiment being conducted by OCD, that a major change in procedure would improve our abstracting and coding processes for the benefit of our overall research effort. As a matter apart from the more routine survey procedures, a paper was prepared on the subject and submitted to the Assistant Director for C&D on 16 September 1949. This elicited an essentially negative response, addressed to the Executive on 14 October 1949. Both papers (references "a" and "b") were returned to the Management Staff by the Executive for coordinated study with COAPS and further recommendations, including the opinions of ORE and OSI. Under the provisions of General Order No. 23 the entire problem was finally given to COAPS as an operational matter, and COAPS is now engaged in study and coordination prior to making specific recommendations.

b. It is interesting to note that in spite of the comments of the Assistant Director for C&D such as --

"Nonsense. It depends who you talk to in ORE-OSI."

"Quite untrue."

"These are visionary 'blueprint' recommendations* * *."

"* * The service must sell itself before we ask for this.",

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the Assistant Directors of ORE and OSI have submitted in writing, over the signatures of [REDACTED] full concurrences in the recommendations of the Management Staff, with request for implementing action (references "c" and "d"). The OSI statement also states that the management comments "are an accurate description of the inadequacies of OCD and the resulting duplication and constitute ample support for your recommendations."

7. a. The paper prepared by the Assistant Director for C&D titled "Central Reference Facilities, Status and Objectives," dated 1 November 1949, annotated by the Management Staff in OCD style, is attached as reference "e". It is interesting to note the number of procedures referred to with some pride in this paper which were initially recommended and established by the Management Staff. To my personal knowledge some of them were installed with very great doubt and reluctance on the part of OCD although they have proven very successful in practice.

b. Reference "f" is a point-by-point comment of the Management Staff on reference "e". These comments have been referred to COAPS for such use as may be desired in completing the COAPS study of this problem.

8. Some ~~weeks~~ or months ago the Management Staff discovered in one division of OCD approximately a nine months' backlog of certain intelligence materials committed by CIA to certain IAC agencies. It also discovered a considerable restiveness on the part of the receiving agencies to the point of intent to make a formal complaint to the Director. The Management Staff brought this matter to the attention of the Assistant Director for C&D, who apparently had had no prior knowledge of the fact that any backlog existed. Immediately thereafter the Management Staff arranged for additional typing assistance to be loaned from other offices to OCD to assist in eliminating the backlog. By this means the IAC agencies were pacified and no formal complaints received. None of this was made a matter of record except for an informal verbal report to the Executive as forewarning of a possible complaint against CIA. This is one example of assistance rendered in connection with management activities.

9. a. A specific management improvement policy and broad general program was announced for this Agency in General Order No. 23. This order is based on directives from the President personally and from the Director of the Bureau of the Budget. If it is an evil, and I believe it to be exactly the opposite, it is at least a necessary one which the President requires us to maintain.

b. This program, and the manner of its implementation within the Agency, has been given considerable praise by the Bureau of the Budget, including a statement that it is the best and most effective in government today. As a Budget Bureau representative spent considerable time in a personal survey of the Agency prior to submission of our fiscal year 1951 budget, the statement is based on personal observation by a

vitally interested outside observer. This reaction will be of major assistance to us in our annual problem of obtaining adequate appropriations, as great weight is given by the Budget Bureau to both our reported management program and its implementation.

c. (1) The principles of our overall management program, under the provisions of General Order No. 23, are:

(a) The Management Staff is an advisory and recommending activity. It has no authority either to direct or take final action.

(b) The primary field of the Management Staff is effective business management and includes the broad areas of functional and organizational development, personnel staffing and cooperation in budget development.

(c) An operational management function has been added to COAPS. As in the case of the Management Staff, COAPS has no final authority in the management field, but is an advisory and recommending activity only.

(d) When the Management Staff finds a problem needing further examination and possible new direction in a substantive operational area outside of its normal responsibilities, it refers that problem to COAPS for further study and coordination.

(e) COAPS utilizes Management Staff facilities for obtaining detailed data considered essential and beyond the physical capabilities of the very small operations staff.

(f) In every case where there is not complete agreement between either the Management or COAPS Staffs and the Office or Staff Section directly concerned with any specific problem, an appropriate study and recommendation is submitted to the Executive for such further coordination and/or recommendation to the Director as may be required. Even when agreement is obtained, in cases where policy or any major change is involved, recommendations are submitted to the Executive for appropriate action, and in all cases any agreed upon action actually taken is reported as a matter of information.

(2) Prior to the issuance of General Order No. 23 there was no separate machinery such as COAPS for assuming management responsibility for operational problems. Due to this fact such problems either went unresolved or became the subject of Management Staff study, advice and recommendations.

(3) It is not apparent how any approach under principles indicated above can be construed to be either control of or interference with operations, unless essential efforts to improve efficiency and obtain reasonable economy are to be classed as interference.

10. a. In concluding comments on the management program the demonstrable results, in addition to the Bureau of the Budget reaction, in activities of the Agency other than OCD can best be determined from the following:

(1) Management Staff was recently requested by the Assistant Directors for Special Operations and Policy Coordination to provide full time assistance in completely reorganizing their [REDACTED] activities and providing sounder basis for their foreign organizations. A management team is working on this problem with the complete cooperation of the officials concerned in those offices, even though a number of major changes are resulting.

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(2) The Assistant Director for Scientific Intelligence requested similar assistance for his Office, and a management team is working there with similar harmony.

(3) Management assistance has been requested by and furnished to ORE on various problems, including the development of a new organizational pattern, over a considerable period, and harmonious relations have been maintained. An overall management survey of ORE has recently been started.

(4) Constant requests are being received by the Management Staff from most of the Agency Offices and Staff Sections, considerably beyond their physical ability to meet.

b. A list of Management Staff projects in process on 30 November 1949 is attached as reference "g". It doesn't take much more than a glance to determine that, with only five management analysts available in addition to the Management Officer, the sheer magnitude of the workload would make any real effort to control any operation not only impractical but impossible.

c. The only source of any continuing real complaint about the management program has been OCD. Having been exposed during the late war to General Somerville's Army Service Force Control Division (the most arbitrary management control program ever devised, in my opinion) I could sympathize completely if this reaction had any basis in fact, which it has not.

11. a. In final conclusion I wish to emphasize that constant caution and indoctrination is given to Agency administrative support officials by both the Executive and me to observe the following principles in their actions:

(1) Give helpful and quick service to the utmost extent of their abilities.

(2) Do not take a negative approach. Find some way to meet any reasonable desire presented by any operational activity, unless there are arbitrary legal bars.

(3) Do not even give the appearance of giving orders. Functions are to advise, assist and support.

(4) If disagreements arise, present a complete case with both sides of the problem and specific recommendations for resolution by the Executive or the Director. Insure the prior knowledge of the operating official concerned in each case.

(5) In cases where final authority to act reposes in either the Executive or the Director, be the advocate of the operational activity concerned wherever the circumstances warrant.

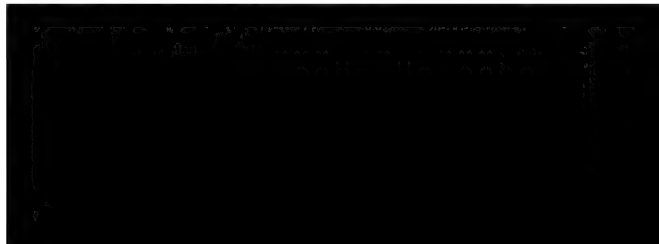
(6) Foster mutual understanding and contact by asking for problems to solve. Don't wait for them to assume undue proportions and get out of hand because of lack of foreknowledge.

(7) Be tactful as well as aggressive in meeting responsibilities.

(8) Be firm, as well as tactful, in insuring that the Director's announced policies are not violated. Take time to explain why.

(9) In all things remember that protection of the Director and the Agency from possible current or future embarrassment or justifiable criticism is a primary responsibility — but not an alibi for unwarranted inaction.

b. I believe that we are getting real results and making major progress in the desired direction. Having discussed this problem at some length with the Director on 9 December, I am under the impression that he now also feels that we are on the right road.



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7 Encls. (See References)